

29.01.09

The Principal Secretary
Transport, Roads & Buildings
Govt Of Andhra Pradesh
Hyderabad.

Respected Sir,

SUB: Request for issue of general formula for calculation of price adjustment for steel, cement in lieu with G.O.Ms No 94, TR&B Department – Reg

REF: Our letter # NIL dated 25.10.2008

We are grateful to your good offices in responding to our request vide our letter cited in the reference. In continuation to our letter cited in the reference we further submit to your good offices the following details for your kind consideration, the necessity of the General formulae which is being already been followed for POL and other materials;

(1) The main intention of the Government is to compensate the exact price fluctuation to the exact steel and cement consumption in works.

(2) We respectfully submit that certain Items as per SSR are measured in WEIGHT unit and some other items such as structural steel works etc, wherein steel is involved, are measured in RMT or SQM units other than WEIGHT unit. It is observed that there is an apprehension that the price adjustment is adopting “quantity should directly be compensated with difference in rates fixed by Board of Chief Engineers Monthly and the rate originally provided for in the estimates without any format”. With regarding to this we respectfully submit that the above procedure is only possible if all the items

of an agreement are to be recorded in WEIGHT units. But the factual position is that certain items such as structural works such as windows, railings, rolling shutters are prescribed in UNITS OTHER THAN WEIGHT UNITS. Thus Measurements in MBs are recorded in units other than WEIGHT units. Thus without the formulae the said items cannot be compensated as desired by the subject G.O.

(3) The issue was discussed at length at the committee of CEs meeting held on 22.11.2008 in the Chambers of ENC (R&B) admn and NH. After perusing the details the committee has also unanimously decided that the formulae as submitted as draft by your good offices should be adopted for Steel and cement also as being adopted for POL replacing 0.85 with "1" and Whole sale price indices being replaced by the "rates fixed by Board Of Chief Engineers and the estimate rates".

(4) If your good office require, we would be glad to demonstration with an example the end value of compensation which would be exactly what is required vide G.O.Ms 94, TR&B.

We humbly request your good offices to kindly peruse our submission once again and issue the clarification with regard to the formulae to be applied to Steel and cement also, in addition to POL, which is being adopted on the same lines, else we are afraid that the intention of Government to compensate vide G.O.Ms 94, TR&B would be futile.

Expecting earliest favourable response from your good offices, we stand obliged at all times.

Thanking You Sir,

Yours faithfully,

(P.Mohan Reddy)

(A.Sudhaker Reddy)

Chairman, BAI, AP centre
Chairmen, BAI, AP Centre

Vice-